

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

----- X
GOTTBETTER CAPITAL MASTER, LTD.
(In Liquidation),

Plaintiff,

-against-

CHARYS HOLDING COMPANY, INC.,

Defendant.
----- X

Civil Action No.
1:07-cv-11374 (GEL)

(ECF)

ADAM S. GOTTBETTER
REPLY AFFIDAVIT

STATE OF NEW YORK)
 : ss.:
COUNTY OF NEW YORK)

ADAM S. GOTTBETTER, being duly sworn hereby deposes and says:

1. I am the CEO of Gottbetter Capital Management, L.P., advisors to plaintiff Gottbetter Capital Master, Ltd. (in liquidation) ("GCM"). As such, the statements set forth below are based upon my personal knowledge, except where I have stated that they are based upon "information and belief," in which case I believe, in good faith, the same to be true.

2. I provided testimony in support of GCM's motion for summary judgment pursuant to Fed. R. Civ. P. 56, by affidavit sworn to on November 13, 2007 (the "Gottbetter Aff."). I submit this affidavit in further support of GCM's motion.

EVENT OF DEFAULT REDEMPTION PRICE

3. GCM's calculation of the Event of Default Redemption Price as of October 30, 2007, and the basis for that calculation under the Note, was set forth in great detail in my moving affidavit.¹ Gottbetter Aff., ¶¶ 10-18, 21, 23, Ex. D.

¹ All capitalized terms used herein shall have the same meaning ascribed to those terms in the Gottbetter Aff. and the Note, unless stated otherwise herein.

4. Relying on precisely the same contract terms and formula, GCM has adjusted its calculation of the Event of Default Redemption Price to account for Interest and Late Charges accruing post-October 30, 2007. Id.; see also the Event of Default Redemption Calculation Summary attached hereto as Exhibit 1.

5. As of February 1, 2008, the Event of Default Redemption Price totaled \$10,149,361, calculated as follows:

Outstanding Principal:	\$7,670,365 (+)
Accrued Default Interest:	\$ 535,875 (+)
Accrued Late Charges:	<u>\$ 251,561 (+)</u>
	= \$8,457,801

X

(the Redemption Premium of 120%) = \$10,149,361.² (Id.)

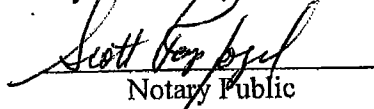
ATTORNEYS' FEES


6. As set forth in my moving affidavit, GCM is entitled to all costs and expenses incurred in the enforcement of the Note including, but not limited to, reasonable attorneys' fees and disbursements. Gottbetter Aff., ¶ 26, Ex. A, § 19.

7. As of January 31, 2008, GCM had incurred cost and expenses including reasonable attorneys' fees and disbursements totaling no less than \$68,916.69.

8. Attached hereto as Exhibits 2, 3, 4, and 5 are redacted copies of the invoices for October 2007, November 2007, December 2007, and January 2008 received from GCM's attorneys, Sullivan & Worcester LLP, for services rendered in this matter.

Sworn to before me this 13th
day of February 2008


Notary Public


SCOTT RAPFOGEL
Notary Public, State of New York
No. 02RA6094568
Qualified in New York County
Commission Expires June 23, 2011

² The above amount does not include Interest and Late Charges accruing post-February 1, 2008.

EXHIBIT 1

Gottbetter Capital Management LP
Event of Default Redemption Calculation Summary

Terms of Note	
Issuance Date	4/30/2007
Principal Amount	\$ 8,354,043
Interest Rate	8.75%
Default Rate	15.00%
Late Charge	18.00%
Redemption as of	2/1/2008

Application of Prior Payments

Event Date	Beginning Principal	Scheduled Payment	Accumulated Interest	Accumulated Default Interest	Amount Paid to Principal	Ending Principal
5/15/2007	\$ 8,354,043	\$ 500,000	\$ 30,040	\$ -	\$ 469,980	\$ 7,884,083 ¹
7/2/2007	7,884,083	447,864	90,721	-	-	7,884,083 ²
8/1/2007	7,884,083	847,478	-	97,201	-	7,884,083 ³
8/10/2007	7,884,083	-	-	29,160	-	7,884,083 ⁴
8/15/2007	7,884,083	-	-	18,200	213,718	7,670,365 ⁵

Notes

¹ Charys paid \$500,000 on 5/15/07.

² Installment Amount Not Received / Event of Default.

³ Installment Amount Not Received / Event of Default.

⁴ Charys paid \$200,000 on 8/10/07: (\$90,721) applied to accumulated interest / (\$109,279) applied to accumulated default interest.

⁵ Charys paid \$247,000 on 8/15/07: (\$33,282) applied to accumulated default interest / (\$213,718) applied to principal.

Event of Default Redemption Calculation

Interest Due Through 2/1/2008		
Dates	Outstanding Principal	Default Interest
8/15/2007 to 2/1/08	\$ 7,670,365	\$ 535,875
Late Charges Due Through 2/1/2008		
Date	Principal Due	Late Charge
7/2/2007	\$ 388,833	\$ 8,087 ¹
	175,115	14,681 ²
8/1/2007	791,777	71,848
9/3/2007	676,363	50,366
10/1/2007	677,897	41,120
11/1/2007	676,553	30,695
12/3/2007	783,639	23,187
1/2/2008	782,633	11,579
Total Late Charges	\$ 251,561	
Default Interest	\$ 535,875	
Late Charges	251,561	
Conversion Amount	7,670,365	
Subtotal	\$ 8,457,801	
Redemption Premium	120%	
Redemption Price	\$ 10,149,361	

¹ Late Charge applied through time of partial payment on 8/15/07.

² Late Charge applied post-time of partial payment on 8/15/07.

Submitted without prejudice to further adjustment

EXHIBIT 2

**SULLIVAN &
WORCESTER**

1290 Avenue of the Americas, New York, New York 10104
Telephone: 212-660-3000, Facsimile: 212-660-3001
Federal Tax I.D. 04-2387531

Remittance Address:
Sullivan & Worcester LLP
One Post Office Square
Boston, MA 02109

Gottbetter Capital Management, LP
488 Madison Ave., 12th Floor
New York, NY 10022

Invoice Date: November 21, 2007
Invoice Number: 8071657

FOR PROFESSIONAL SERVICES rendered through October 31, 2007

Matter

21381.0001

RE: Charys Holding Company, Inc.

Matter Fees \$7,484.00

Matter Disbursements 39.42

MATTER TOTAL **\$7,523.42**

Includes only fees and disbursements posted through October 31, 2007
Invoices are payable upon receipt

BOSTON

NEW YORK

WASHINGTON, DC

Gottbetter Capital Management, LP
Page 2

Invoice Date: November 21, 2007
Invoice Number: 8071657

Matter
21381.0001

RE: Charys Holding Company, Inc.

Matter Fees

<u>Date</u>	<u>Tkpr Code</u>	<u>Hours</u>
10/12/07	NAG	0.10
10/16/07	NAG	0.70
10/19/07	JMJ	2.00
10/19/07	NAG	4.80
REDACTED		
10/22/07	NAG	5.00
10/23/07	JMJ	0.50
10/23/07	NAG	4.30

Matter Fees Total

7,484.00

Gottbetter Capital Management, LP
Page 3

Invoice Date: November 21, 2007
Invoice Number: 8071657

Matter Disbursements

Express Delivery	29.22
Facsimile	4.00
Reproduction-Internal	<u>6.20</u>

Matter Disbursements Total	39.42
-----------------------------------	--------------

MATTER TOTAL	\$7,523.42
---------------------	-------------------

**SULLIVAN &
WORCESTER**

Remittance Address:

One Post Office Square, Boston, Massachusetts 02109
Telephone: 617 338-2800, Facsimile: 617 338-2880
Federal Tax I.D. 04-2387531

Wire/ACH Instructions:
Bank of America

REDACTED
Sullivan & Worcester LLP

REDACTED

Gottbetter Capital Management, LP
488 Madison Ave., 12th Floor
New York, NY 10022

Invoice Date: November 21, 2007
Invoice Number: 8071657

**REMITTANCE COPY
PLEASE INCLUDE WITH PAYMENT**

**IF WIRING THE FUNDS,
PLEASE REFERENCE INVOICE NUMBER OR MATTER NUMBER**

Matter
21381.0001 RE: Charys Holding Company, Inc.

Matter Fees	\$7,484.00
Matter Disbursements	<u>39.42</u>
MATTER TOTAL	<u>\$7,523.42</u>

Includes only fees and disbursements posted through October 31, 2007
Invoices are payable upon receipt

BOSTON

NEW YORK

WASHINGTON, DC

**SULLIVAN &
WORCESTER**

1290 Avenue of the Americas, New York, New York 10104
Telephone: 212-660-3000, Facsimile: 212-660-3001
Federal Tax I.D. 04-2387531

Remittance Address:
Sullivan & Worcester LLP
One Post Office Square
Boston, MA 02109

Gottbetter Capital Management, LP
488 Madison Ave., 12th Floor
New York, NY 10022

Invoice Date: November 21, 2007
Invoice Number: 8071658

FOR PROFESSIONAL SERVICES rendered through October 31, 2007

Matter

21381.0004

RE: Charys Holding Company, Inc. - Litigation

Matter Fees

\$6,478.00

MATTER TOTAL

\$6,478.00

Includes only fees and disbursements posted through October 31, 2007
Invoices are payable upon receipt

BOSTON

NEW YORK

WASHINGTON, DC

Gottbetter Capital Management, LP
Page 2

Invoice Date: November 21, 2007
Invoice Number: 8071658

Matter
21381.0004 **RE: Charys Holding Company, Inc. - Litigation**

Matter Fees

<u>Date</u>	<u>Tkpr</u> <u>Code</u>	<u>Hours</u>
10/26/07	NAG	4.80
10/29/07	NAG	5.30
10/30/07	NAG	5.50
10/31/07	NAG	0.20
Matter Fees Total		6,478.00
MATTER TOTAL		\$6,478.00

**SULLIVAN &
WORCESTER**

Remittance Address:

One Post Office Square, Boston, Massachusetts 02109
Telephone: 617 338-2800, Facsimile: 617 338-2880
Federal Tax I.D. 04-2387531

Wire/ACH Instructions:
Bank of America

REDACTED
Sullivan & Worcester LLP

REDACTED

Gottbetter Capital Management, LP
488 Madison Ave., 12th Floor
New York, NY 10022

Invoice Date: November 21, 2007
Invoice Number: 8071658

**REMITTANCE COPY
PLEASE INCLUDE WITH PAYMENT**

**IF WIRING THE FUNDS,
PLEASE REFERENCE INVOICE NUMBER OR MATTER NUMBER**

Matter

21381.0004

RE: Charys Holding Company, Inc. - Litigation

Matter Fees

\$6,478.00

MATTER TOTAL **\$6,478.00**

Includes only fees and disbursements posted through October 31, 2007
Invoices are payable upon receipt

BOSTON

NEW YORK

WASHINGTON, DC

EXHIBIT 3

SULLIVAN & WORCESTER

1290 Avenue of the Americas, New York, New York 10104
Telephone: 212-660-3000, Facsimile: 212-660-3001
Federal Tax I.D. 04-2387531

Remittance Address:
Sullivan & Worcester LLP
One Post Office Square
Boston, MA 02109

Gottbetter Capital Management, LP
488 Madison Ave., 12th Floor
New York, NY 10022

Invoice Date: December 17, 2007
Invoice Number: 8073213

FOR PROFESSIONAL SERVICES rendered through November 30, 2007

Matter

21381.0004

RE: Charys Holding Company, Inc. - Litigation

Matter Fees \$18,482.00

Matter Disbursements 749.27

MATTER TOTAL **\$19,231.27**

Includes only fees and disbursements posted through November 30, 2007
Invoices are payable upon receipt

BOSTON

NEW YORK

WASHINGTON, DC

Gottbetter Capital Management, LP
Page 2

Invoice Date: December 17, 2007
Invoice Number: 8073213

Matter
21381.0004

RE: Charys Holding Company, Inc. - Litigation

Matter Fees

<u>Date</u>	<u>Tkpr Code</u>	<u>Hours</u>
11/2/07	NAG	0.20
11/4/07	NAG	2.50
11/5/07	NAG	4.00
11/6/07	NAG	1.60
11/7/07	NAG	2.80
11/7/07	RIL	0.10
11/8/07	RIL	0.30
11/8/07	NAG	4.40
11/9/07	NAG	4.20
11/10/07	NAG	4.00
11/11/07	NAG	4.50

Gottbetter Capital Management, LP
Page 3Invoice Date: December 17, 2007
Invoice Number: 8073213

<u>Date</u>	<u>Tkpr</u> <u>Code</u>	<u>Hours</u>
11/12/07	NAG	7.40
11/12/07	EAS	1.70
11/12/07	RIL	0.50
11/13/07	RIL	5.90
11/13/07	NAG	3.20
REDACTED		
11/14/07	NAG	0.10
11/15/07	NAG	0.10
11/15/07	BRC	1.30
11/16/07	BRC	0.30
11/19/07	NAG	0.20
11/30/07	NAG	0.20
Matter Disbursements		Matter Fees Total
		18,482.00
Express Delivery		65.29
Court Filings		305.00
Reproduction-Internal		170.80
Telephone- Long Distance		0.75
Velobind		35.00
Westlaw		172.43
MATTER TOTAL		Matter Disbursements Total
		749.27
		\$19,231.27

**SULLIVAN &
WORCESTER**

Remittance Address:

One Post Office Square, Boston, Massachusetts 02109
Telephone: 617 338-2800, Facsimile: 617 338-2880
Federal Tax I.D. 04-2387531

Wire/ACH Instructions:
Bank of America

REDACTED
Sullivan & Worcester LLP

REDACTED

Gottbetter Capital Management, LP
488 Madison Ave., 12th Floor
New York, NY 10022

Invoice Date: December 17, 2007
Invoice Number: 8073213

**REMITTANCE COPY
PLEASE INCLUDE WITH PAYMENT**

**IF WIRING THE FUNDS,
PLEASE REFERENCE INVOICE NUMBER OR MATTER NUMBER**

Matter

21381.0004

RE: Charys Holding Company, Inc. - Litigation

Matter Fees \$18,482.00

Matter Disbursements 749.27

MATTER TOTAL \$19,231.27

Includes only fees and disbursements posted through November 30, 2007
Invoices are payable upon receipt

BOSTON

NEW YORK

WASHINGTON, DC

EXHIBIT 4

**SULLIVAN &
WORCESTER**

1290 Avenue of the Americas, New York, New York 10104
Telephone: 212-660-3000, Facsimile: 212-660-3001
Federal Tax I.D. 04-2387531

Remittance Address:
Sullivan & Worcester LLP
One Post Office Square
Boston, MA 02109

Gottbetter Capital Management, LP
488 Madison Ave., 12th Floor
New York, NY 10022

Invoice Date: January 31, 2008
Invoice Number: 8075283

FOR PROFESSIONAL SERVICES rendered through December 31, 2007

Matter
21381.0004

RE: Charys Holding Company, Inc. - Litigation

Matter Fees \$17,199.50

Matter Disbursements 1,751.33

MATTER TOTAL \$18,950.83

Includes only fees and disbursements posted through December 31, 2007
Invoices are payable upon receipt

BOSTON

NEW YORK

WASHINGTON, DC

Gottbetter Capital Management, LP
Page 2

Invoice Date: January 31, 2008
Invoice Number: 8075283

Matter
21381.0004

RE: Charys Holding Company, Inc. - Litigation

Matter Fees

<u>Date</u>	<u>Tkpr</u> <u>Code</u>	<u>Hours</u>
12/5/07	NAG	0.80
12/6/07	NAG	0.10
12/7/07	RIL	1.70
12/11/07	EAS	2.90
12/12/07	EAS	1.10
12/13/07	NAG	0.20
12/13/07	EAS	0.10
12/14/07	NAG	0.70
12/14/07	EAS	3.80
12/17/07	NAG	0.20
12/18/07	NAG	0.80
12/19/07	NAG	0.20
12/19/07	BRC	0.50
12/20/07	BRC	2.10
12/20/07	BRC	0.40

Gottbetter Capital Management, LP
Page 3

Invoice Date: January 31, 2008
Invoice Number: 8075283

<u>Date</u>	<u>Tkpr</u> <u>Code</u>	<u>Hours</u>
12/20/07	NAG	0.70
12/21/07	NAG	3.00
12/26/07	NAG	5.20
REDACTED		
12/27/07	NAG	4.00
12/28/07	NAG	6.30
12/29/07	EAS	2.00

Gottbetter Capital Management, LP
Page 4

Invoice Date: January 31, 2008
Invoice Number: 8075283

<u>Date</u>	<u>Tkpr</u> <u>Code</u>	<u>Hours</u>
12/30/07	NAG	2.50

12/31/07	NAG	6.00
----------	-----	------

REDACTED

12/31/07	EAS	2.40
----------	-----	------

Matter Fees Total	17,199.50
--------------------------	------------------

Matter Disbursements

Court Service Fee	24.75
Reproduction-Internal	211.60
Service of Process	450.00
Telephone- Long Distance	1.35
Velobind	70.00
Westlaw	<u>993.63</u>

Matter Disbursements Total	1,751.33
-----------------------------------	-----------------

MATTER TOTAL	\$18,950.83
---------------------	--------------------

**SULLIVAN &
WORCESTER**

Remittance Address:

One Post Office Square, Boston, Massachusetts 02109
Telephone: 617 338-2800, Facsimile: 617 338-2880
Federal Tax I.D. 04-2387531

Wire/ACH Instructions:
Bank of America

REDACTED

Sullivan & Worcester LLP

REDACTED

Gottbetter Capital Management, LP
488 Madison Ave., 12th Floor
New York, NY 10022

Invoice Date: January 31, 2008
Invoice Number: 8075283

**REMITTANCE COPY
PLEASE INCLUDE WITH PAYMENT**

**IF WIRING THE FUNDS,
PLEASE REFERENCE INVOICE NUMBER OR MATTER NUMBER**

Matter

21381.0004

RE: Charys Holding Company, Inc. - Litigation

Matter Fees \$17,199.50

Matter Disbursements 1,751.33

MATTER TOTAL \$18,950.83

Includes only fees and disbursements posted through December 31, 2007
Invoices are payable upon receipt

BOSTON

NEW YORK

WASHINGTON, DC

EXHIBIT 5

**SULLIVAN &
WORCESTER**

1290 Avenue of the Americas, New York, New York 10104
Telephone: 212-660-3000, Facsimile: 212-660-3001
Federal Tax I.D. 04-2387531

Remittance Address:
Sullivan & Worcester LLP
One Post Office Square
Boston, MA 02109

Gottbetter Capital Management, LP
488 Madison Ave., 12th Floor
New York, NY 10022

Invoice Date: February 11, 2008
Invoice Number: 8075493

FOR PROFESSIONAL SERVICES rendered through January 31, 2008

Matter

21381.0004

RE: Charys Holding Company, Inc. - Litigation

Matter Fees	\$15,048.00
Matter Disbursements	<u>1,685.17</u>
MATTER TOTAL	<u>\$16,733.17</u>

Includes only fees and disbursements posted through January 31, 2008
Invoices are payable upon receipt

BOSTON

NEW YORK

WASHINGTON, DC

Gottbetter Capital Management, LP
Page 2

Invoice Date: February 11, 2008
Invoice Number: 8075493

Matter
21381.0004 **RE: Charys Holding Company, Inc. - Litigation**

Matter Fees

<u>Date</u>	<u>Tkpr</u> <u>Code</u>	<u>Hours</u>
12/12/07	HEL	2.00
1/1/08	NAG	2.00
1/2/08	EAS	1.70
1/4/08	NAG	0.20
1/9/08	NAG	1.20
REDACTED		
1/10/08	NAG	7.40
1/10/08	EAS	0.40
1/10/08	HEL	3.50
1/11/08	HEL	1.00
1/11/08	NAG	4.00
1/11/08	RIL	4.30
1/14/08	BRC	0.70
1/15/08	BRC	0.40
1/16/08	NAG	0.80

Gottbetter Capital Management, LP
Page 3

Invoice Date: February 11, 2008
Invoice Number: 8075493

<u>Date</u>	<u>Tkpr</u> <u>Code</u>	<u>Hours</u>
1/18/08	NAG	0.30
1/22/08	BRC	0.40
1/25/08	NAG	0.80
1/28/08	BRC	0.70
1/28/08	NAG	3.50

REDACTED

1/29/08	NAG	1.50
1/29/08	BRC	0.50
1/29/08	JGK	0.90
1/29/08	RIL	0.50
1/30/08	NAG	1.00
1/31/08	NAG	0.70

Matter Fees Total 15,048.00

Matter Disbursements

Express Delivery	22.02
Filing Fees	95.00
Reproduction-Internal	210.80
Westlaw	<u>1,357.35</u>

Matter Disbursements Total 1,685.17

MATTER TOTAL \$16,733.17

**SULLIVAN &
WORCESTER**

Remittance Address:

One Post Office Square, Boston, Massachusetts 02109
Telephone: 617 338-2800, Facsimile: 617 338-2880
Federal Tax I.D. 04-2387531

Wire/ACH Instructions:
Bank of America

REDACTED

Sullivan & Worcester LLP

REDACTED

Gottbetter Capital Management, LP
488 Madison Ave., 12th Floor
New York, NY 10022

Invoice Date: February 11, 2008
Invoice Number: 8075493

**REMITTANCE COPY
PLEASE INCLUDE WITH PAYMENT**

**IF WIRING THE FUNDS,
PLEASE REFERENCE INVOICE NUMBER OR MATTER NUMBER**

Matter

21381.0004

RE: Charys Holding Company, Inc. - Litigation

Matter Fees	\$15,048.00
Matter Disbursements	<u>1,685.17</u>
MATTER TOTAL	<u>\$16,733.17</u>

Includes only fees and disbursements posted through January 31, 2008
Invoices are payable upon receipt

BOSTON

NEW YORK

WASHINGTON, DC